



**Texas
Independent
Producers and
Royalty Owners
Association**

Royalty Owners Association (TI PRO), is expected to create the nation's largest independent oil and gas producer, capable of producing 1.5 million barrels per day.

Reports of a Conoco-Concho merger had circulated earlier this month, though official plans shared on October 19th by the two companies to proceed forward with a deal were met largely with approval by energy investors.

Story continued on Page 6...

NEW CONGRESSIONAL ENERGY EXPORT CAUCUS FORMED TO PROMOTE AMERICA'S ENERGY TRADE LEADERSHIP

A bipartisan group of congressmen in the U.S. House of Representatives launched a new legislative energy caucus in October focused on increasing exports of U.S. energy supplies, expanding energy trade opportunities for the United States and growing the economy. The new caucus will actively promote realistic, responsible and cost-effective solutions and policies that create jobs, modernize America's energy infrastructure network, strengthen U.S. security, rebuild the economy and allow the country to maintain global trade competitiveness. Texas congress members Henry Cuellar (D-Laredo) and Jodey Arrington (R-Lubbock) have joined the new caucus and will serve alongside U.S. Representatives Carol Miller (R-West Virginia) and Lou Correa (D-California).

In late October, caucus members said that as the world recovers from the novel coronavirus (COVID-19) pandemic, America's energy industry will be essential to meeting energy demands abroad whenever communities are able to "turn back on." Not just at home in the United States, but elsewhere, including developing nations, will America and its domestic oil and natural gas industry help to power electricity grids. Accordingly, the Congressional Energy Export Caucus will champion the growth of exports of American energy, including lending their support for rising shipments of liquefied natural gas (LNG), and also advocate to strengthen trade relationships between the United States and emerging energy markets.

"The United States is an energy powerhouse, poised to become a key trailblazer in global markets. However, we must create consistent and cohesive policies on energy exports to ensure our country's future prosperity," said Texas Congressman Cuellar. "I was proud to lead the efforts to lift the oil export ban and I am once again proud to stand alongside my colleagues to create the Energy Export Caucus to bring bipartisan, sustainable and affordable solutions that will boost economic growth, increase wages and employment, expand trade, and strengthen our national security."

Prior to the COVID-19 outbreak, which interrupted sustained energy export and trade patterns, U.S. crude oil exports had reached a record high in February 2020, according to the U.S. Energy Information Administration (EIA). The country achieved a record monthly high of 3.7 million barrels per day (b/d) in crude oil exports that month, with U.S. crude oil exports collectively averaging 3.2 million b/d over the first half of 2020. This threshold was up from the 2.9 million b/d average recorded in the first half of 2019. U.S. LNG exports meanwhile continued to grow in the first three months of 2020, averaging 7.9 billion cubic feet per day (Bcf/d), a 3.9 Bcf/d (98 percent) increase compared with the same period in 2019. EIA analysts forecast LNG exports to return to pre-COVID levels by November 2020 and average more than 9 Bcf/d during the winter of 2020-2021.

"By unleashing the full potential and power of American enterprise, through free market pro-energy policies, our nation became a net exporter of oil and natural gas last year, creating record jobs for our country," explained Congressman Arrington. "As the world's largest oil and gas production center, West Texas energy producers have led the way in fueling our economy and strengthening our national security through energy independence. I am proud to help establish the Congressional Energy Export Caucus, a forum for bipartisan legislative leadership to advance our country's future prosperity and security through sound energy policy."



PRESIDENT'S MESSAGE

TIPRO Members,

As the Texas oil and natural gas industry slowly recovers from a historic decline in global demand brought on by COVID-19 and other market factors, policy leaders must think long-term when considering measures that could impact the future of domestic production and its unmatched contributions from an economic and geopolitical perspective. While challenges remain, no one should underestimate the resilience of this industry and its importance to our country for generations to come. We know this election cycle could have a lasting effect on producers, mineral owners and our economy as a whole. Given the tremendous impact of the energy industry, it is incumbent upon all Texans to help educate policymakers about the importance of this sector, as well as its success in advancing environmental stewardship throughout the oil and gas value chain, a common issue raised though often misrepresented.

To lead this discussion, a great place to start is a new report recently released by the U.S. Department of Energy's Office of Fossil Energy that reinforces the benefits provided from domestic development of oil and natural gas. As captured by government leaders in the department's official report published earlier this month, oil and gas accounted for two-thirds of the total energy consumed in the U.S. last year and its continued development remains essential to meeting America's energy needs, both now and in the future. It is integral to our country's standard of living, and our economy is also fundamentally dependent on energy at every level. Put clearly, all Americans directly benefit from domestic production.

Recent polling indicates that Americans understand the essential role of oil and natural gas in our economy. Two-thirds of those polled in a recent Morning Consult survey said they are more likely to support candidates who favor access to U.S. produced oil and natural gas. Further, 93 percent of the respondents said it's important for the U.S. to produce enough energy to eliminate dependence on other countries, with 73 percent expecting oil and natural gas to still meet a significant part of our energy needs in 2040. With a majority of Democrats, Independents and Republicans in agreement, voters understand the need for American energy security and will make this a ballot box priority.

Looking beyond the elections, the 87th Texas Legislative Session is also quickly approaching. The structure and timeline for next session, which will begin in January of 2021, remains uncertain due to ongoing issues related to COVID-19. Nonetheless, both chambers will need to determine what legislative proposals are essential for attention next year. Many state legislative issues of consequence to the Texas oil and gas industry will be evaluated leading into next session, including the following matters TIPRO will focus on next year:

Budget and the Economic Stabilization Fund: With this year's COVID-19 pandemic and economic downturn, the legislature faces a tough budget cycle to come in 2021, with many comparing it to the 2011 session when the state experienced a significant budget shortfall. In spite of difficult circumstances and more limited revenue streams, the legislature is again constitutionally obligated to pass a budget. Funding projected to be available for the state budget is roughly \$11.5 billion less than originally estimated, putting the state on track to end the biennium with a deficit of nearly \$4.6 billion. Texas therefore will have approximately \$110 billion to work with for the 2022-2023 state budget. Lawmakers therefore will likely tap the state's oil-fed Economic Stabilization Fund, known also as the Rainy Day Fund, to support the budget. It's important to remember that this safety net is only made possible by severance taxes provided from the oil and gas industry.

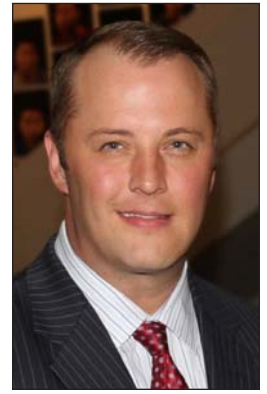
Ad Valorem and Severance Taxes: Given current market conditions, Texas operators have been particularly challenged by valorem property tax appraisals for 2020. Texas Tax Code §23.175 states that appraisals of oil and gas interests use the average price of oil or gas from the interest for the preceding calendar year multiplied by a price adjustment factor to adjust for the current year. As a result of the imbalance of appraisals during extreme periods of market volatility, our organization is evaluating potential legislative proposals that will provide greater flexibility to appraisal districts and offer relief to operators during these down cycles. There is also some discussion about the possibility of raising oil and natural gas severance taxes next year to address budget challenges. The Texas oil and natural gas industry already pays more than its fair share in taxes and fees and any attempt to increase severance taxes would directly impact the industry's recovery and the long-term viability of thousands of small businesses throughout the state.

Transportation: Transportation infrastructure investment, road repair and maintenance remain a priority for oil and natural gas producers. Quality infrastructure benefits local communities and ensures that product can get to market in the most efficient and safest way possible, promoting a vibrant economy. TIPRO remains committed to working with state lawmakers, local government leaders and other stakeholders to identify a long-term solution to improve the quality of state and county roads.

Water Use and Recycling: Water treatment and recycling policies will continue to be considered by state lawmakers in the coming legislative session. TIPRO continues to encourage a fair and balanced regulatory framework that will enhance environmental stewardship, without promoting administrative barriers that hinder economic growth through slower permitting or reduced exploration and production activities.

Eminent Domain Reform: In the state's 87th Legislative Session, the oil and gas industry will lead on the eminent domain reform debate to address perceived problems with the current process. Legislative proposals will focus on the main issues landowner groups sought to address in the last legislative session. This includes: adding requirements for an initial offer, revising the land owner bill of rights to include additional information, requiring licensure of right away agents, prohibiting incentives or kickbacks, creating standardized easement terms and tweaking some procedural directives.

The outcome of the elections, COVID-19, and economic conditions will undoubtedly have a significant impact on what legislative proposals are ultimately deemed worthy for consideration next year. TIPRO looks forward to a more detailed discussion of these issues with our membership during our upcoming State Issues Committee meeting, scheduled for Thursday, November 12th at 2 p.m. Central Time. If you would like to join this important policy meeting, please contact TIPRO's Government Affairs Director Ryan Paylor by emailing rpaylor@tipro.org to confirm your participation. Thank you.



Ed Longanecker

RACE FOR SPEAKER OF THE TEXAS HOUSE GETS UNDERWAY EARLY

As officials zero in on Election Day and look ahead to the state's next legislative cycle, two Democratic legislators have already announced their candidacy to run for speaker of the Texas House of Representatives next session. State Representative Senfronia Thompson (D-Houston) on Friday, October 23rd filed paperwork to become the top leader of the legislature's lower chamber, replacing retiring House Speaker Dennis Bonnen (R-Angleton). Representative Thompson is the longest-serving woman and African American in the history of the Texas legislature. She currently chairs the Texas House Public Health Committee, and is a member of the House Committee on Licensing & Administrative Procedures as well as the House Committee on Redistricting.


Only days after Representative Thompson became the first lawmaker to enter the next speaker's race, state Representative Trey Martinez Fischer (D-San Antonio) shared on Monday, October 26th he too would be running for speaker of the Texas House. Representative Martinez Fischer currently serves as chairman of the House Committee on Business & Industry, and is also a member of the House Committee on Ways & Means. In a statement, Representative Martinez Fischer said, "Texans are making history. After two weeks of early voting, it is becoming increasingly clear that Texas voters are demanding change. We are on the verge of winning a Democratic majority for the first time in almost two decades. It is time to begin a new chapter in our state's history by electing a Democratic House speaker."

Meanwhile, on Thursday, October 29, Republican lawmakers also stepped forward to enter the speaker's race. State Representative Chris Paddie (R-Marshall), chairman of the House Energy Resources Committee, filed to become the next speaker, along with Representative Trent Ashby (R-Lufkin), who serves as a member of the House Public Education and Defence & Veterans' Affairs Committees.

TEXAS AG OFFICE PUBLISHES UPDATED LANDOWNER'S BILL OF RIGHTS DOCUMENT

The Texas Attorney General's office recently published an updated Landowner's Bill of Rights (LBoR), a document that applies to any attempt to condemn property in Texas. Any entity exercising eminent domain authority must provide a copy of the LBoR to a landowner whose property they are attempting to condemn. The changes to the LBoR incorporate new graphics and formatting edits. The text of the LBoR has not changed. The updated version of the document can be found on the Attorney General's website at: <https://bit.ly/3mlWNt8>.

TIPRO, as part of the Coalition for Critical Infrastructure, is encouraging the legislature to adopt substantial changes to the LBoR next session to simplify landowner rights in an eminent domain discussion with the intent of defusing the contentiousness of the document and avoiding an escalation or breakdown of negotiations.



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RECORD EARLY VOTING TURNOUT IN TEXAS

Voter turnout in Texas for this year's General Election has already broken records, officials report, as Texans have in masses shown up to polls to exercise their right to vote. Texas, known to historically experience low voter turnout, has seen strong voter participation in the 2020 Election with some of the nation's highest voter turnout so far. As of Monday, October 26, 46 percent of all registered voters in Texas had cast their ballots early, already surpassing total early voter turnout totals from 2016. Four years ago, during the last presidential election, approximately 43.5 percent of registered voters decided to take advantage of early voting and hit the polls before Election Day.

Helping to support the greater turnout for early voting is the extra six days approved by Texas Governor Greg Abbott for the early voting period. This summer, the governor agreed to the extra time for early voting to provide greater flexibility given the coronavirus (COVID-19) pandemic, which necessitates social distancing and other protocols to protect the health and safety of voters and poll workers. As such, while early voting typically lasts for 12 days, in this year's election cycle, early voting will have been available for 18 days. "We encourage TIPRO members, industry employees and all Texas citizens that value the positive contributions of oil and natural gas to vote to support candidates in this year's election that will defend the state's energy industry, Texas jobs and our economy," commented TIPRO President Ed Longanecker. "Make your voice heard by getting out to cast your vote. Together, let's ensure that the leaders we select to hold office will make a difference in this critical time for the Texas oil and gas industry."

To find your closest polling location, and learn what appears on this year's election ballot, visit www.VoteTexas.gov.



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COURT ALLOWS EPA OIL AND GAS METHANE RULE CHANGE TO PROCEED FORWARD

The D.C. Circuit has dissolved an administrative stay on new federal regulations promulgated by the U.S. Environmental Protection Agency (EPA) which rolled back restrictions on methane emissions for new and modified oil and gas operations. As reported previously by TIPRO, in mid-September, a panel of three federal judges with the U.S. Court of Appeals for the District of Columbia Circuit ordered a temporary pause on the EPA oil and gas regulations so as to allow the court the time necessary to fully consider litigation related to the policies filed by environmental and tribal groups. On Tuesday, October 27, the administrative stay was lifted by the judges, after the court contended rule petitioners had not satisfied stringent requirements to provide for a longer a stay pending court review. With this action, the EPA now is expected to move forward with implementation of its rule package, which will correct overly burdensome federal overreach under the Clean Air Act, and restore the rule of law to make it simpler and less burdensome for the oil and natural gas industry to comply with standards, and also encourage use of new and better emissions reductions technologies by oil and gas operators.

TRUMP ADMINISTRATION APPROVES EXTENSIONS FOR LONG-TERM LNG EXPORT AUTHORIZATIONS

In October, officials with the U.S. Department of Energy (DOE) announced the approval of ten long-term liquefied natural gas (LNG) export authorizations that have been extended to last through the year 2050 under a modified policy finalized by the Trump Administration over the summer. In July, department heads released a final policy change to allow LNG exports to be permitted to non-free trade agreement (non-FTA) countries through 2050, providing an extended timeframe from the prior government practice of granting 20-year export terms. Months later, the Energy Department says that it has now granted its first wave of extended LNG export authorizations under the new policy. “Today’s announcement is yet another example of the Trump Administration’s commitment to protecting American jobs at home and promoting American energy exports abroad,” said U.S. Secretary of Energy Dan Brouillette. “During this administration, U.S. LNG exports have more than quadrupled, putting the United States among the top three LNG exporters in the world. Increased LNG exports means more American energy production, more energy security, and more American jobs.”



The United States is already the top global producer of natural gas and currently in its fourth consecutive year as a net exporter of natural gas. To date, U.S. LNG exports have reached 38 countries across five continents, according to the Energy Department. Continued regulatory support will accommodate ongoing growth in the domestic natural gas and LNG sectors, and will keep America competitive in global energy markets. Especially in these times of uncertainty, the updated policy is expected to provide further regulatory confidence for U.S. exporters competing for market share around the world.

“Securing U.S. energy jobs, and creating the potential for future growth in our energy sector is a top priority for the president’s administration,” said Deputy Secretary Mark W. Menezes. “The development and deployment of innovation in hydraulic fracturing and multidirectional drilling has catapulted the U.S. to the world’s number one producer of oil and natural gas. By extending these LNG export authorizations through 2050, DOE provides certainty to investors, industry and energy workers from Pennsylvania to the Permian, and across the nation.”

Through two separate October actions executed by the Energy Department, long-term LNG export authorizations are now held by companies with export terminals located or proposed in Texas, Louisiana and Maryland. The authorization holders receiving term extensions are: Cheniere Energy’s Sabine Pass and Corpus Christi LNG export terminals, operating in Louisiana and Texas, respectively; Sempra Energy’s Port Arthur LNG project proposed for Port Arthur, Texas; Venture Global Calcasieu Pass, LLC; Venture Global Plaquemines LNG, LLC; Rio Grande LNG, LLC; Dominion Energy Cove Point LNG, LP; Corpus Christi Liquefaction Stage III, LLC; and the Freeport entities -- Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, FLNG Liquefaction 3, LLC, and FLNG Liquefaction 4, LLC.

AFTER COURT OUSTS BLM DIRECTOR WILLIAM PERRY PENDLEY, JUDGE TOSSES HIS LAND MANAGEMENT PLANS

As previously reported by TIPRO, a federal judge last month ruled William Perry Pendley had been “unlawfully” serving as the acting director of the U.S. Bureau of Land Management (BLM), and ordered his immediate removal from the leadership post acting as the top official of the government’s land department. Chief District Judge Brian Morris of the U.S. District Court of Montana on September 25th determined Pendley had violated federal vacancy laws by serving unlawfully as BLM director for 424 days through a series of temporary orders, rather than receiving proper confirmation by the U.S. Senate.

Weeks later, Judge Morris issued a separate ruling on Friday, October 16th invalidating work from Pendley while he was in charge of the bureau, dismissing land management plans Pendley had adopted specifically in the state of Montana. “Any exclusive function of the BLM director performed by Pendley is invalid,” resolved Judge Morris after his review of the case. Though the judge’s decision, for now, was limited to three specific land management plans Pendley supervised in Montana as acting BLM director, it is understood that the case ruling could jeopardize Pendley’s work elsewhere across the country. Judge Morris seemingly hinted at such a fate by writing in his opinion “it remains probable that additional actions taken by Pendley that should be set aside as unlawful.”

If the Trump Administration were to choose to fight the legal decision, it would be considered in the Ninth Circuit Court of Appeals, according to media reports, though it remains highly unlikely any legal resolution would be achieved prior to January’s Inauguration Day, meaning the outcome of the presidential election could ultimately have an impact.

CONOCOPHILLIPS-CONCHO DEAL COVERAGE... CONTINUED FROM PAGE 1

After the ConocoPhillips-Concho Resources acquisition is finalized, the new shale giant will have an approximate \$60 billion enterprise value with a combined resources base of 23 billion barrels of oil equivalent. “Opportunities to consolidate quality on the scale of these two companies do not come along often, so we are seizing this moment to create a company to lead the necessary transformation of our vital sector for the benefit for all stakeholders in the future,” ConocoPhillips CEO Ryan Lance said last week.

“Through this combination, we are joining a diversified energy company with even more scale and resources to create shareholder value in today’s markets and beyond,” described Tim Leach, chairman and chief executive officer of Concho Resources, who will run the combined company’s U.S. production excluding Alaska. “Thanks to our team, Concho is one of the largest unconventional shale producers in the United States, with a high-quality asset base, a culture of operational excellence, safety and efficiency, and a strong balance sheet. Through consolidation, we will apply our assets, capabilities and superior performance to the business model of the future, creating a better-capitalized company with enhanced capital discipline, more flexibility and an unwavering commitment to sustainability.”

Andrew Dittmar, a senior M&A analyst for leading oil and gas data analytics company and TIPRO member Enverus (formerly Drillinginfo), called Concho Resources one of the “premier acquisition targets” among U.S. shale drillers today. “Conoco is on a very short list of potential buyers, so this deal looks to be a natural fit on both sides,” said Dittmar. “The \$13.3 billion acquisition is the largest upstream deal entirely focused on shale since BHP bought Petrohawk for \$15.1 billion in 2011.”

“Buying Concho strategically fills a gap in Conoco’s portfolio,” Dittmar elaborated. “While well positioned in multiple U.S. plays like the Eagle Ford and Bakken plus internationally, Conoco lagged rivals in the Permian. Conoco’s patience waiting for the right deal appears well rewarded as the company is picking up one of the premier positions in the Permian at ~\$10,000/acre or a fraction of the cost of other large deals in the basin over the last few years.”

PERMIAN CONSOLIDATION CONTINUES AFTER PARSLEY ENERGY SOLD TO PIONEER NATURAL RESOURCES

October brought another significant energy merger and acquisition between two leading Texas oil producers after Pioneer Natural Resources Company announced on October 20th that it plans to buy Parsley Energy, Inc. in an all-stock transaction valued at \$4.5 billion. Both shale drillers are active members of the Texas Independent Producers & Royalty Owners Association (TIPRO) and are considered top producers in the Lone Star State. Once complete, the deal will cement Pioneer’s positioning as one of the largest independent oil producers in the Permian Basin, with access to 930,000 acres in the Midland and Delaware basins and a production base of nearly 328,000 barrels of oil per day and 558,000 barrels of oil equivalent per day as of the second quarter of 2020. Based on year-end 2019 proved reserves, this transaction will increase Pioneer’s proved reserves by approximately 65 percent, according to the companies.

“This transaction creates an unmatched independent energy company by combining two complementary and premier Permian assets, further strengthening Pioneer’s leadership position within the upstream energy sector,” commented Pioneer’s President and CEO Scott Sheffield. “Parsley’s high-quality portfolio in both the Midland and Delaware Basins, when added to Pioneer’s peer-leading asset base, will transform the investing landscape by creating a company of unique scale and quality that results in tangible and durable value for investors,” Sheffield added.

The Pioneer-Parsley combination follows other large energy M&A deals announced in 2020, driven by an economic downturn and stifled commodity prices caused in part by the coronavirus (COVID-19) pandemic, along with other market forces. As such, Wil VanLoh Jr., a Parsley director and chief executive officer of Quantum Energy Partners, the largest investor in the company, reacted to the Pioneer-Parsley acquisition by commenting in a statement, “the inevitable consolidation in the Permian marches on.”

MEMBERSHIP REMINDER: SUBMIT YOUR ANNUAL MEMBERSHIP FORM TO TIPRO

TIPRO members are reminded to please return your completed annual membership form to TIPRO by Friday, December 4th in order to be included inside of the association’s next annual *Membership Directory* publication. Members should have recently received your form in the mail - if you need assistance or did not receive your copy of the form, please contact TIPRO’s Membership Coordinator Anjelica Torres by emailing atorres@tipro.org or call (512) 477-4452. If TIPRO does not receive your updated form by the deadline date, we will consider the contact information on file as accurate and will publish it in the association’s 2021 annual *Membership Directory*.

TIPRO Calendar of Events

NOVEMBER 12, 2020

VIRTUAL EVENT — TIPRO
State Issues
Committee Meeting.
For information, please email
rpaylor@tipro.org.

DECEMBER 1, 2020

VIRTUAL EVENT — TIPRO’s
‘Taking Back the Oil & Natural Gas
Narrative’ Forum with BEG Director
Dr. Scott Tinker. For information,
please email rpaylor@tipro.org.

JANUARY 27, 2021

VIRTUAL EVENT — Hart
Energy’s Executive Oil
Conference.
For information, please call
(713) 260-6400.

TEXAS METHANE & FLARING COALITION TO HOST OIL & GAS TECHNOLOGIES SHOWCASE ON NOV. 19TH

Next month, the Texas Methane & Flaring Coalition (TMFC) will present a special Oil & Natural Gas Showcase highlighting emerging technological solutions that support reductions to flaring and methane emissions for operators in the oil and natural gas industry. The showcase will take place virtually from 10 a.m. - 12 p.m. Central Time on Thursday, November 19. Attendance is open to coalition members, trade partners and their membership, including the members of TIPRO. Registration for the webinar is available at: <https://bit.ly/3oEBIMA>.

TIPRO is a proud supporter of the TMFC, which was formed earlier this year to join together Texas oil and natural gas companies and industry trade groups to collectively identify and promote operational and environmental recommended practices to minimize flaring and methane emissions. The voluntary coalition enables Texas operators to collaborate to develop the state's natural resources while continuously improving their environmental performance. To learn more about the TMFC, please visit www.texasmethaneflaringcoalition.org.

EPA PROPOSES FOUR NEW ACTIONS TO SUPPORT WATER REUSE

The U.S. Environmental Protection Agency (EPA) this week announced four new proposed actions that will elevate the security, sustainability and resilience of the nation's water resources. The actions, part of the EPA's National Water Reuse Action Plan (WRAP), serve to expand water reuse and recycling in communities across the country. The measures will build on progress already achieved by the federal government in U.S. water user communities and tap into federal coordination resources, including the Trump Administration's newly formed Water Subcabinet, to further advance water reuse priorities.

"Water reuse is a prime example where enhanced federal coordination under the Water Subcabinet is essential to driving progress on actions that will diversify our nation's water supplies to help meet future demand," said EPA Assistant Administrator for Water David Ross. "Collaboration under the WRAP continues to bear fruit with four new proposed actions that will support water reuse's role in our 21st century water economy while protecting public health and the environment."

Specifically, the four proposed actions include:

- Engaging disadvantaged and small communities to evaluate needs and opportunities to improve water security, sustainability, and resilience through water reuse. The EPA reports it will develop and deliver initial training tailored to improve understanding of the needs of disadvantaged and small communities to effectively pursue water recycling and improve water system reliability.
- Funding research through the Science to Achieve Results (STAR) program to support safe and sustainable water resources.
- Developing early-stage research on desalination and water reuse treatment technologies to secure affordable and energy-efficient water supplies for the nation from non-traditional water sources, including brackish groundwater, municipal wastewater, produced water, agricultural drainage, and seawater. As part of this initiative, the EPA says it expects to develop five research and development roadmaps focusing on end users (e.g., industrial, agriculture, utilities, municipalities, and resource-extraction [oil & gas/mining]).
- Sharing information on monitoring practices with the water reuse community, focusing on current and novel monitoring practices and techniques related to finished water quality and treatment process performance in water reuse systems. Government teams will create a clear path forward for the adoption of new monitoring methods and tools to ensure consistent treatment and delivery of recycled water for a variety of different end-uses.

U.S. INTERIOR DEPARTMENT REVISES RULEMAKING PROCEDURES FOR ISSUING GUIDANCE DOCUMENTS

A new interim final rule put out the last week of October by the U.S. Department of Interior establishes new processes and procedures for the issuance of guidance documents by the federal entity. The rulemaking follows directions set by President Donald Trump under Executive Order 13891, "Promoting the Rule of Law Through Improved Agency Guidance Documents," issued last October, that required federal departments to amend existing regulations or establish new rules to promote transparency by ensuring that all active guidance documents are made available to the public, amongst other measures.

The department's interim final rule directs bureaus and offices within the department to undertake a benefits and cost assessment, when appropriate, to understand the economic impact of guidance documents, given they can have a substantial fiscal impact on regulated entities which must alter their conduct to conform to guidance. Further, before guidance documents are issued by the Department of Interior, they must be reviewed to ensure they are written in plain language and do not impose any substantive legal requirements above and beyond those imposed by statute, regulation, or contract. If a guidance document purports to describe, approve, or recommend specific conduct that extends beyond what is required by existing law, regulation, or contract, then it must include clear and prominent language effectively stating that the contents of the guidance document do not have the force and effect of law and are not meant to bind the public in any way, and the guidance document is intended only to provide clarity to the public regarding existing requirements under the law, regulation, contract or agency policies.

The Interior Department's action follows similar moves taken recently by the U.S. Environmental Protection Agency (EPA) to reform guidance practices and improve the agency's internal processes for managing guidance documents. This Fall, the EPA overhauled its rules for guidance documents, also creating a guidance portal that provides public access to agency guidance documents.

The policy update is deemed effective as of October 26, 2020, though comments concerning revised rules to improve agency guidance will be accepted until December 28, 2020. Stakeholders interested in providing feedback may submit comments through the Federal e-Rulemaking Portal at <http://www.regulations.gov>, referencing Docket No. DOI-2020-0001.

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With nearly 3,000 members, TIPRO is the nation's largest statewide association representing both independent producers and royalty owners. Our members include small family-owned companies, the largest publicly traded independents and large and small mineral estates and trusts.

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